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Multi-stakeholder dialogue

Discussion paper on the Community Forestry Programme in Nepal: an example of excellence in community-based forest management

Summary

There is growing evidence that transferring authority and responsibility for sustainable forest management to communities leads to both a significant reduction in poverty and improved forest conditions. The Community Forestry Programme of Nepal is a leading example of the achievements and continuing challenges of community-based forest management. By 2009, one third of the population of Nepal was directly participating in the management of over one quarter of Nepal's forest area. Significant benefits have flowed from this large-scale mobilization of the rural population of Nepal, including improvements in livelihoods, expanded forest areas, the conservation of biodiversity, and the participation of women. New issues are emerging, such as the need to develop appropriate support services for the development of forest-based community enterprises and to strengthen tenure arrangements to ensure the effective implementation of reducing emissions from deforestation and forest degradation. As interest in community-based forest management grows in many parts of the world, the experience of the Government and rural communities of Nepal provides a valuable guide.

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I. Introduction

1. Throughout the last quarter of the twentieth century, many countries in Asia, Africa and Latin America have explored innovative approaches that shifted power from the central State to local government, civil society and the private sector. The shifting of power reshapes the distribution of authority and responsibilities among the key actors.

2. In the forest sector, an important shift has occurred since 1985, with at least 200 million hectares (ha) of global forest designated or legally transferred to communities, and families and individuals (see the figures below; Sunderlin and others, 2008). Presently, 11 per cent of the world's forests are managed by communities. That figure is expected to rise from 378 million ha of community-owned and managed land in 2001 to 740 million ha by 2015, representing 45 per cent of the world's forest estate (White and Martin, 2002). Much of this area is managed under some form of collaborative arrangement involving power-sharing between stakeholder groups.

3. Studies show that the shifting of authority and responsibilities has resulted in improvements in livelihoods and forest conditions. Degraded forest lands have been regenerated. Community institutions have been strengthened, with improved management skills and performance. Community-based forest management is one of the most promising methods for combining forest conservation with poverty reduction and climate change mitigation and adaptation. It has demonstrated an impressive capacity to enhance the environmental sustainability, social equity and livelihoods security for forest-dependent people, and to contribute to the design of more effective forest policies and programmes.

4. Quantifying progress is often challenging. In particular, it is difficult to isolate the contribution of community forestry to the observed improvement in forest conditions and livelihoods. Along with its growing success, community forestry also faces a number of challenges, particularly in the areas of institutional capacity, internal group governance, enterprise development, and the transfer of livelihood benefits to forest-dependent people.

5. There are rich and valuable experiences in community forestry coming out of broad experience in many countries that could provide a strong basis for new strategies for sustainable forest management. The time has come to share that experience and knowledge to improve community forestry and move it ahead. An outstanding example of the achievements and continuing challenges of community forestry is found in Nepal.

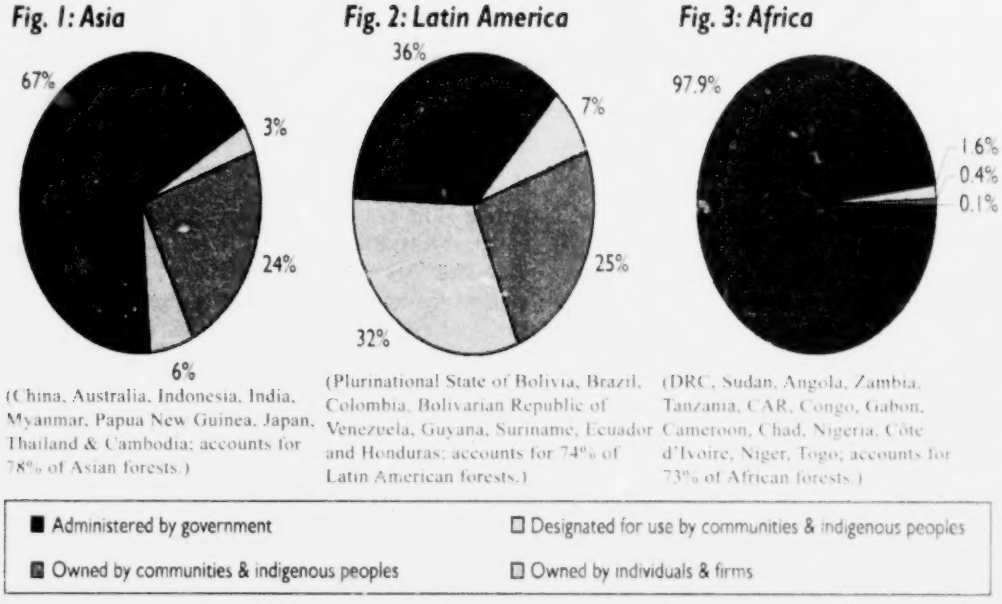


Fig. 1: Asia
67%
3%
24%
6%
(China, Australia, Indonesia, India, Myanmar, Papua New Guinea, Japan, Thailand & Cambodia; accounts for 78% of Asian forests.)
Fig. 2: Latin America
36%
7%
25%
32%
(Plurinational State of Bolivia, Brazil, Colombia, Bolivarian Republic of Venezuela, Guyana, Suriname, Ecuador and Honduras; accounts for 74% of Latin American forests.)
Fig. 3: Africa
97.9%
1.6%
0.4%
0.1%
(DRC, Sudan, Angola, Zambia, Tanzania, CAR, Congo, Gabon, Cameroon, Chad, Nigeria, Côte d'Ivoire, Niger, Togo; accounts for 73% of African forests.)
Administered by government
Designated for use by communities & indigenous peoples
Owned by communities & indigenous peoples
Owned by individuals & firms

Source: Sunderlin and others, 2008.
Abbreviations: DRC = Democratic Republic of the Congo; CAR = Central African Republic.

II. Community forestry in Nepal

6. In Nepal, community forestry is a village-level forestry activity implemented on community-controlled land, where local populations participate in the planning, establishing, managing and harvesting of forest crops, and receive a major proportion of the socio-economic and ecological benefits from the forest. Community forestry involves the handing over of national forest to a user or users' group pursuant to the Forest Act for its conservation and utilization for the collective interest.

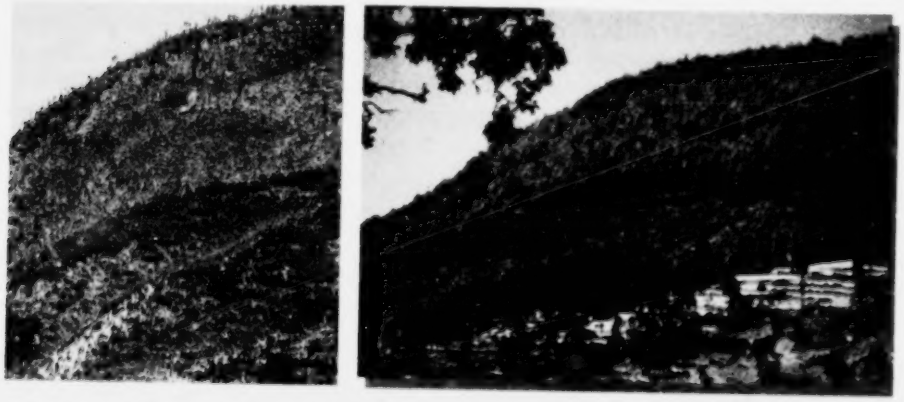
7. Community forestry was introduced through national forest plans, relevant legal and institutional frameworks and decentralization processes. It was complemented by pilot projects on the ground that demonstrated the feasibility of community forestry. Sponsored by the State Government, the programme gradually opened up space for collaboration between local governments and forest communities.

8. The enthusiasm for community forestry has been constrained by the weak tenure arrangements for communities in many countries. The consideration of tenure is important as tenure security is at the heart of community forestry. Research reveals a clear link between tenure rights and strong community institutions and fruitful outcomes (Larson and others, 2010).

9. Forest tenure determines who can use what resources for how long, and under what conditions. It involves some combination of ownership and use rights over a particular piece of forest and the range of resources it contains. The necessary

components of forest tenure include excludability, duration, assurance, and robustness (Food and Agriculture Organization of the United Nations, 2007). Three forces — the indigenous people's movement, the trend to democratic decentralization and conservation interests — have shaped the trends in forest tenure globally.

10. The evolution of tenure rights has had three phases in Nepal. First, there has been a shift from State and individual ownership and open access to collective management. This is possible thanks to the community concession contract introduced and consistently followed up by the Government of Nepal that allocated usufruct rights to collective entities. Secondly, legislation was set in place by the Government of Nepal to provide land rights to communities that held land management contracts. The planning and management of specific forest resources, such as xate (decorative palm), allspice, and rubber also required collective action, allowing subgroups to organize within the larger membership involved in a community concession. Promoting and legalizing collective management over forests can also be regarded as a strategic move by the Government to ensure the State's alienation and use rights over non-renewable resources (such as petroleum and gas). Communities continue to seek the increased security of the tenure rights they hold.



Before and after community forestry in Nepal: a change from gray to green

11. The Community Forestry Programme in Nepal is an innovation in participatory environmental governance that encompasses well-defined policies, institutions, and practices. The programme addresses the twin goals of forest conservation and poverty reduction. As over 70 per cent of Nepal's population depends on agricultural livelihoods, community management of forests has been critically important for food and the overall security of livelihoods. By April 2009, one third of Nepal's population was participating in the direct management of over one fourth of Nepal's forest area.

12. The Community Forestry Programme in Nepal has made substantial contributions to improved forest conditions, greater forest cover, increased economic benefits, social mobilization and the institutionalization of democracy at the grassroots. The immediate livelihood benefits derived by rural households, inputs to agriculture, food security and cash incomes bolster strong collective action through which local communities actively and sustainably manage forest resources.

As is often the case with social reform programmes, community forestry is less a linear and more an iterative and "muddling through" process. The success of community forestry lies in the engagement of various stakeholders from the very beginning of programme formulation.

13. Since its introduction, the Community Forestry Programme has undergone a major change in its scope, objectives and priorities. In Nepal, the Programme was initially formulated with the objective of forest protection and to ensure the basic forest products needs of local people. After 25 years of Programme implementation, forests are regenerated with a significant economic value. Through legislative developments and operational innovations over three decades, the programme has evolved from a protection-oriented, conservation-focused agenda to a much more broad-based strategy for forest use, enterprise development, and livelihoods improvement. Along with increased value, new issues such as the sale of forest products, enterprise development, changes in silviculture practices, and equitable benefit-sharing have emerged. Community forests have become the source of diversified investment capital and raw material for new market-oriented livelihoods. Community forestry shows the traits of political, financial and ecological sustainability, including the emergence of a strong legal and regulatory framework, and robust civil society institutions and networks. However, a continuing challenge is to ensure the equitable distribution of benefits to women and marginalized groups. Lessons for replication emphasize experiential learning, the establishment of a strong civil society network, flexible regulation to encourage diverse institutional modalities, and the responsiveness of Government and policymakers to a multi-stakeholder collaborative learning process.

III. Livelihoods and poverty reduction

14. Poverty reduction is a major global concern. The important role that forests play in rural livelihoods, especially those of the poor, is generally well recognized. The majority of the poor in Nepal are small and marginal farmers and landless households whose livelihood depends on traditional agriculture. Nepal has sought to improve the productivity of the forest sector as a means to meeting the Millennium Development Goals and reduce poverty, through a participatory approach that provides income-generation and employment opportunities (His Majesty's Government of Nepal, 2002).

15. In the late 1970s, in Nepal, widespread deforestation had led to serious environmental degradation. It was concluded that Governments acting alone were not able to reverse the trends. Of particular concern was the reduced access by local communities to forest products such as fuel wood and fodder that were critical to the maintenance of rural livelihoods. Community forestry as an identifiable implementation strategy evolved in its contemporary form at that time.

16. A rapid appraisal of forest product utilization, income and patterns of expenditure of 1,788 forest user groups from 12 hill and Terai districts in Nepal was carried out in 2002 and extrapolated to all the forest user groups in the country. The results indicated that the total annual cash income from the sale of forest products from community forests was 747 million rupees (more than $10 million). This amounted to almost 42 per cent of the annual budget of the Ministry of Forest and Soil Conservation. At the present time, 100 per cent of these benefits are going to

the forest user groups. To this figure can be added the cash equivalent of subsistence forest products and other income generated by the user groups, which was estimated to bring the total income to 1.8 billion rupees (approximately $24 million; Kanel and Niraula, 2004).

17. A different method of accounting reports that 8 million cubic feet of timber, 335 million kilograms of firewood and 370 million kilograms of grasses were produced from community forests. Those products are used to support the subsistence livelihood needs of local people. The forest user groups earned 383 million rupees from the sale of forest products outside the groups. Use of those earnings include community-development activities such as the building of schools, roads and drinking water facilities (36 per cent), and 12.6 million rupees for pro-poor community forestry, including loans to poor families and training for them in forest-based income-generating activities (Kanel and Niraula, 2004).

18. The community forestry policy of Nepal is regarded as a progressive method for establishing the rights of local people over forest resources; however, the promotion of forest-based enterprises has been limited. Recently, more forest user groups are initiating poverty-alleviation activities, helping to establish community forestry as a recognized pro-poor programme. The main areas of intervention include the promotion of income-generating activities and the establishment of concessions for the distribution of forest products. The income-generating activities include the domestication of non-timber forest products, support to livestock production, and the establishment of forest-based small-scale enterprises.

19. The participation of women, poor and disadvantaged groups is improving. The national database maintained at the Community Forestry Division shows that women's participation is 24 per cent and that there are about 600 community forest user groups managed by women-only committees (Kanel, 2006). Although women's involvement in implementing community forestry is very high, their role in decision-making is negligible.

20. The community forestry discourse in Nepal is now dominated by the "second generation issues" of governance, livelihoods and sustainable management. Governance has to be improved for two reasons: first, to make sure that the voice of the different groups of people, in particular the poor and excluded, are heard; secondly, to enhance the economic and social welfare of the people through the sustainable management of forest resources. Community forestry has the potential to significantly increase its contribution to improved livelihoods and poverty reduction (His Majesty's Government of Nepal, 2002).

IV. Enterprise development

21. The development of small-scale enterprises based on the existence of local resources, skills and markets is recognized as a method for poverty alleviation. Subedi (2006) believes that enterprise-oriented community forest management can generate positive outcomes for both conservation and the development of local livelihoods, while Anglesen and Wunder (2003) identify small-scale wood-processing enterprise development as a high priority area for poverty alleviation. As noted above, there is much opportunity for progress in this area in Nepal. The following observations are based on experience to date in small forest-based enterprise development.

22. In the context of community forest-based enterprise, local people primarily benefit through entrepreneurial development, rather than simply as wage labourers. Unlike other enterprises that utilize timber and non-timber forest products, there is no need for middlemen, owing to direct local marketing and processing. There are easy and direct linkages between the suppliers of raw materials, the producers of the final products and the consumer. This reduces the marketing chain and increases local benefits.

23. The success of new enterprises depends upon the community taking ownership and an active role in management. The forest-based small-scale enterprise initiatives of local communities need strong moral, technical, institutional and financial support from facilitating agencies.

24. Capacity-building by local people is a crucial factor in the development of the forest enterprises. To ensure that local people develop viable enterprises and operate them independently they must be involved from the outset in the planning of the enterprise (i.e., from idea generation, feasibility studies, product selection and the development of business plans).

25. Business support services are needed for the development of enterprises (e.g., skills development, bookkeeping training, forward linkages, promotion, price information and technology development and transfer). Depending upon the circumstances, these needs can best be met by extension agents from the communities, or by alliances with governmental, non-governmental or private sector partners.

26. Ensuring the continued availability of support services to the enterprises is also important once production is established and orders are being placed. Strategic alliances between local enterprises and private sector partners are an important model. Support for promising entrepreneurs to become community-based service providers that will provide services to other entrepreneurs at small, affordable fees is one option.

V. Biodiversity

27. A total of 192 countries, and the European Union, are now parties to the Convention on Biodiversity. In April 2002, the parties to the Convention committed to significantly reduce the loss of biodiversity by 2010. The results of efforts to meet that target have been mixed.

28. Some of the best results are being produced by the community forests in Nepal. An outstanding example is the conservation efforts for rhinoceroses and tigers in the community forests that surround Chitwan National Park. The combination of clear management responsibility and the opportunity to benefit directly from conservation efforts through ecotourism has led to the very successful protection of these severely endangered species by communities.

VI. Forest timber: part of the solution to climate change

29. Forest timber is part of the solution to climate change. Carbon is stored in the growing tree and remains locked up in the resulting wood products, so forest timber

helps to reduce the effect of climate change even after the timber leaves the forest. Compared to other building products (steel, aluminium, etc.) the production of forest products leaves a very small carbon footprint.

30. Carbon financing presents an important new opportunity for the local people and community forests in Nepal. It also introduces new risks and constraints to their effective participation. Maximizing the opportunities and addressing the risks and constraints requires early and active community involvement, especially in negotiating roles, responsibilities, and benefits.

31. Secure ownership through full ownership, or the transfer of a significant bundle of rights to communities has been an ongoing challenge, even in the relatively advanced circumstances of Nepal. This is particularly so in the era of climate crisis. An additional dimension of rights has emerged with the new climate mitigation schemes such as reducing emissions from deforestation and forest degradation (REDD). Benefits for communities through REDD can be expected only if the communities have the full rights over forest carbon. In a situation where tenure rights over forest resources are confused, new schemes such as REDD will only add to the confusion and conflict between the State and communities.

VII. Conclusions

32. **The campaign for community forestry and community-based forestry management is expanding globally. Community-based forest management is making a great contribution to sustainable forest management, the conservation of biodiversity, the strengthening grass-roots democracy and people's organizations, and to achieving the Millennium Development Goals. The Community Forestry Programme in Nepal clearly demonstrates this contribution and its potential for improvements in the livelihoods of rural people, the increased involvement of women, the reversal of environmental degradation, and the conservation of biodiversity. It also clearly shows areas for further progress, such as enterprise development. Major groups respectfully request Member States and the participants at the ninth session of the United Nations Forum on Forests to develop strong policy, legal and regulatory frameworks to support community forestry and community-based forest management. Based on the experience in Nepal, the following issues need to be addressed to strengthen community forestry and community-based forest management:**

(a) **Establish clear tenure rights for local communities;**

(b) **Ensure the carbon rights of local communities;**

(c) **Provide recognition and rewards for local communities, family and indigenous peoples for the conservation of biodiversity through forest conservation;**

(d) **Support the development of services needed to encourage the development of small and medium forest enterprises to create employment at the local level;**

(e) **Establish investment funds to strengthen community forestry;**

(f) **Provide support to strengthen the federations and networks of local communities from the local level to the global level;**

(g) **Strengthen the concept of Forest for People in sustainable forest management.**

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